

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 800 Session of
2003

INTRODUCED BY MICOZZIE, CIVERA, MANDERINO, MELIO, SATHER,
E. Z. TAYLOR, BASTIAN, CURRY, JAMES, LAUGHLIN, McCALL,
SOLOBAY, THOMAS AND YOUNGBLOOD, MARCH 10, 2003

REFERRED TO COMMITTEE ON EDUCATION, MARCH 10, 2003

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools, consolidating and changing the laws relating
5 thereto," providing for training for school directors, for
6 regional assistance teams, for evaluation of superintendents
7 and assistant superintendents, for rating systems for
8 professional employees, for career ladder and salaries, for
9 continuing professional development, for mentoring/induction,
10 for peer assistance and review, for collaborative
11 professional development, for expenditures for professional
12 development and teacher coaches, for annual assessments, for
13 value-added analysis, for promotion and high school
14 graduation, for re-testing and remediation, for expenditures
15 to assist struggling students, for education empowerment
16 districts, for school and school district accountability, for
17 innovation grants, for a study of school staffing, for
18 establishment of an Academic Achievement and Accountability
19 Commission, and for definitions; establishing a joint Senate-
20 House Select Committee to study the Commonwealth's pupil
21 transportation funding mechanisms; establishing a joint
22 Senate-House Select Committee to study the Commonwealth's
23 school construction funding mechanisms; requiring the
24 Commonwealth to pay the application fee for teachers seeking
25 certification by the National Board for Professional Teaching
26 Standards; providing for the successful school budget subsidy
27 system; further providing for payments; making an
28 appropriation; and making repeals.

29 Preamble

30 The General Assembly finds and declares as follows:

1 (1) Section 14 of Article III of the Constitution of
2 Pennsylvania states: "The General Assembly shall provide for
3 the maintenance and support of a thorough and efficient
4 system of public education to serve the needs of the
5 Commonwealth."

6 (2) Pennsylvania's school finance system is neither
7 adequate nor equitable; the highest spending district has
8 nearly three times as much to spend per pupil as the lowest
9 spending, and resources are not targeted to ensure all
10 children in all Pennsylvania communities have an adequate
11 opportunity to succeed.

12 (3) The State has adopted academic standards and an
13 assessment system, but State tests are inadequate to ensure
14 accountability for results.

15 (4) The State must address simultaneously issues of
16 adequate and equitable funding and accountability for
17 results. An adequate and equitable funding system will
18 require substantial increases in State funding, and State
19 taxpayers must be guaranteed that these funds are being spent
20 effectively.

21 (5) While some students do very well in school, there is
22 an increasing need in our global, interconnected world for
23 all students in all school districts to demonstrate high
24 levels of achievement and continuous improvement in their
25 academic achievement.

26 (6) The education system, including individual
27 educators, small groups of educators within schools, schools,
28 and school districts, must be accountable for using increased
29 State resources to bring about improved student performance.

30 (7) A State accountability system must include a measure

1 of year-to-year, value-added improvements in student
2 achievement and multiple measures of success for both
3 students and professional educators.

4 (8) One key to improving student achievement is an
5 increased focus on professional development of educators.

6 (9) Meaningful reform will require local partnerships of
7 boards of school directors, administrators, teachers, and
8 their employee organizations.

9 (10) Meaningful reform will require increased leadership
10 from the Department of Education and increased support from
11 the State's intermediate units.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
15 as the Public School Code of 1949, is amended by adding sections
16 to read:

17 Section 328. Professional Development for School
18 Directors.--(a) This section shall apply to all school
19 directors elected after the effective date of this section or
20 appointed to fill a vacancy of at least one year's duration
21 after the effective date of this section.

22 (b) During the first year in office, each school director
23 shall successfully complete at least fifteen (15) hours of
24 professional development in educational laws and ethics, duties
25 and responsibilities of school directors, school finance,
26 standards-based education, value-added assessment and data-
27 driven decisionmaking. In each succeeding year, each school
28 director shall successfully complete at least eight (8)
29 additional hours of professional development.

30 (c) The professional development under subsection (b) may be

provided by the school district, the intermediate unit, the Pennsylvania School Boards Association, or by colleges, universities, or other professional development providers approved by the department.

(d) Failure to meet the requirements in subsection (b) shall render a school director ineligible to stand for reelection or, following the termination of the school director's term, to be appointed to a subsequent vacancy.

(e) The requirements of this section are in addition to the requirements in section 322 of this act.

(f) As used in this section, the term "department" shall mean the Department of Education of the Commonwealth.

Section 923.3-A. Regional Assistance Teams.--(a) Except for Intermediate Unit number 2 and Intermediate Unit number 26, all other intermediate units shall establish regional assistance teams to assist under-performing schools and under-performing districts comprising their intermediate units under sections 1702-C(e) and 1703-C(d).

(b) Professional Employee Members.

(1) Professional employees serving on regional assistance teams shall be advanced and distinguished teachers and distinguished administrators employed by districts comprising the intermediate unit.

(2) The intermediate unit may contract with districts to make a certain number of such professional employees available on a full-time basis for assignment to under-performing schools and under-performing districts. The professional employees under contract shall be released from all teaching or administrative duties by their school districts during any school year in which such services are provided, but that year shall be counted as a

year of teaching or administrative service for purposes of calculating salaries under section 1142.2 and for computing credited service under 24 Pa.C.S. § 8102 (relating to definitions). No professional employe may serve in this capacity for more than three (3) consecutive years. The intermediate unit shall pay the full salary and fringe benefits of such professional employes under contract.

(3) Intermediate units may also contract with school districts for the partial release of professional employes to serve on regional assistance teams. In that case, the employing district shall continue to pay the full salary and fringe benefits of the professional employe and shall be reimbursed by the intermediate unit.

(c) Intermediate units shall pay stipends to noneducator members of regional assistance teams at rates established by the Department of Education.

(d) In appointing regional assistance teams, the intermediate unit shall use the criteria established in sections 1702-C(e) and 1703-C(d).

(e) Each intermediate unit to which this section applies shall annually report to the Department of Education on its activities under this section. The report shall include a statement of expenses incurred in the intermediate unit's implementation of this section and sections 1702-C(e) and 1703-C(d).

(f) Each intermediate unit to which this section applies shall annually receive a grant from the Commonwealth equal to two dollars (\$2) per pupil in average daily membership multiplied by the sum of the pupils in average daily membership in the school districts comprising the intermediate unit. In

1 addition, within sixty (60) days of receiving the report under
2 subsection (e), the Department of Education shall reimburse the
3 intermediate unit for its actual costs of implementation of this
4 section and sections 1702-C(e) and 1703-C(d).

5 Section 1082.1. Evaluation of Superintendents and Assistant
6 Superintendents.--(a) Superintendents and assistant
7 superintendents shall be evaluated at least once every three (3)
8 years, or more often at the discretion of the board of school
9 directors.

10 (b) Evaluations shall be based upon the following criteria:

11 (1) Twenty-five (25%) percent shall be based upon a running
12 average of three (3) years of value-added State test results
13 aggregated to the district level. The superintendent or
14 assistant superintendent shall receive a rating of:

15 (i) Advanced for this portion of the evaluation if the
16 average value-added results are significantly above one year's
17 worth of academic growth as provided in section 1550(d) of this
18 act.

19 (ii) Proficient for this portion of the evaluation if the
20 average value-added results achieve one year's worth of academic
21 growth as provided in section 1550(d) of this act.

22 (iii) Unsatisfactory for this portion of the evaluation if
23 the average value-added results are significantly below one
24 year's worth of academic growth as provided in section 1550(d)
25 of this act.

26 (2) Twenty-five percent (25%) shall be based upon achieving
27 adequate yearly progress student proficiency goals with respect
28 to absolute levels of proficiency, increases in levels of
29 proficiency, and closing achievement gaps among subgroups of
30 students at the district level, under the requirements of 20

1 U.S.C. § 6311(b).

2 (3) Fifty percent (50%) shall be based upon the level of
3 support the superintendent or assistant superintendent provides
4 those supervised in achieving the professional practice
5 standards under section 1123 of this act. The evaluation of the
6 assistant superintendent shall be performed by the
7 superintendent with input from professional employees who report
8 to the assistant superintendent. The evaluation of the
9 superintendent shall be performed by the board of school
10 directors with whatever input the board at its discretion may
11 seek.

12 Section 2. Section 1101 of the act is amended by adding
13 definitions to read:

14 Section 1101. Definitions.--As used in this article,

15 * * *

16 (4) The term "board" shall mean the State Board of Education
17 of the Commonwealth established under Article XXVI-B of the act.

18 (5) The term "department" shall mean the Department of
19 Education of the Commonwealth.

20 (6) The term "secretary" shall mean the Secretary of
21 Education of the Commonwealth.

22 (7) The term "school entity" shall mean a public school
23 district, intermediate unit, or area vocational-technical
24 school.

25 Section 3. Section 1123 of the act, amended March 29, 1996
26 (P.L.47, No.16), is amended to read:

27 Section 1123. Rating System.--[In determining whether a
28 professional employe shall be dismissed for incompetency or
29 unsatisfactory teaching performance as provided for in section
30 1122(a) of this act, and in rating the services of a temporary

1 professional employe, the professional employe or temporary
2 professional employe shall be rated by an approved rating system
3 which shall give due consideration to personality, preparation,
4 technique, and pupil reaction, in accordance with standards and
5 regulations for such scoring as defined by rating cards to be
6 prepared by the Department of Education; and to be revised, from
7 time to time, by the Department of Education with the
8 cooperation and advice of a committee appointed by the Secretary
9 of Education, including representation from district
10 superintendents of schools, classroom teachers, school
11 directors, school supervisors, parents of school-age children
12 enrolled in a public school, a representative from a college or
13 department of education within a higher education institution
14 located within this Commonwealth, and such other groups or
15 interests as the Secretary of Education may deem appropriate.
16 Rating shall be done by or under the supervision of the
17 superintendent of schools or, if so directed by him, the same
18 may be done by an assistant superintendent, a supervisor, or a
19 principal, who has supervision over the work of the professional
20 employe or temporary professional employe who is being rated:
21 provided, That no unsatisfactory rating shall be valid unless
22 approved by the district superintendent.] (a) (1) Except as
23 provided in subsections (c) and (d), teachers of elementary
24 grades beginning with the third grade and teachers of core
25 subjects in secondary grades that are the subject of State tests
26 under section 1550 of this act shall be evaluated once every
27 three (3) years by their principals.

28 (2) Evaluations under paragraph (1) shall be based upon the
29 following criteria:

30 (i) Fifty percent (50%) shall be based upon a running

average of three (3) years of value-added results aggregated to the teacher level for students taught by the teacher. The teacher shall receive a rating of:

(A) Advanced for this portion of the evaluation if the average value-added results are significantly above one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(B) Proficient for this portion of the evaluation if the average value-added results achieve one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(C) Unsatisfactory for this portion of the evaluation if the average value-added results are significantly below one year's worth of academic growth as provided in section 1550(d) of this act. Scores of students who have received less than a full year of instruction from the teacher shall be weighted based upon the amount of time registered in the teacher's classroom. For teachers with multiple value-added results, the rating shall be based upon the average of such results, provided that a teacher can receive a rating of proficient or above only if all such results indicate at least achievement of one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(ii) Fifty percent (50%) shall be based upon a behaviorally anchored rating scale based upon clearly defined research-based professional standards and measurement rubrics, with strong emphasis on standards-based instruction, the principle of value-added, and data-driven decisionmaking. Ratings shall be prepared by the teacher's supervisor based upon observations by the supervisor and input from the teacher regarding the teacher's own professional development. The rating scale shall include observations of the following domains, each of which shall be

1 rated separately, and then summarized in an overall rating of
2 distinguished, proficient, basic or unsatisfactory.

3 (A) Planning and preparation, including, at a minimum,
4 demonstrating knowledge of content and pedagogy and assessing
5 student learning so that assessments are used to improve student
6 learning.

7 (B) Classroom environment, including, at a minimum,
8 establishing a culture for learning.

9 (C) Instruction, including, at a minimum, communicating
10 clearly and accurately and engaging students in learning.

11 (D) Professional responsibilities, including, at a minimum,
12 reflecting on teaching, communicating with families and growing
13 and developing professionally.

14 (3) The department shall, within one (1) year of the
15 effective date of this section, develop a rating scale for the
16 assessment under paragraph (2)(ii). It shall include procedures
17 for first-year teachers to be evaluated on no more than the
18 minimal elements of each domain specified in paragraph (2)(i).
19 In order to progress from one stage of the career ladder to the
20 next, the ratings required on the entire rating scale under
21 section 1142.2(c) of this act shall be attained. The rating
22 scale shall be developed with the cooperation and advice of a
23 committee appointed by the secretary, including representation
24 from district superintendents, principals, classroom teachers,
25 school directors, school supervisors, parents of school-age
26 children enrolled in a public school, colleges or departments of
27 education within higher education institutions located within
28 this Commonwealth, and such other groups or interests as the
29 secretary may deem appropriate. School entities shall use the
30 rating scale developed under this paragraph or may develop their

own, subject to approval by the secretary, provided that such
scale reports measures prescribed in paragraph (2)(ii).

(b) Except as provided in subsections (c) and (d), all
teachers not covered by subsection (a) shall be evaluated once
every three (3) years by their supervisors. Evaluations shall be
based upon the following criteria:

(1) Fifty percent (50%) shall be based upon empirical
student achievement goals developed jointly by the professional
employee and the professional employee's supervisor.

(2) Fifty percent (50%) shall be based upon a behaviorally
anchored rating scale based upon clearly defined research-based
professional standards and measurement rubrics with strong
emphasis on standards-based instruction, the principle of value-
added, and data-driven decision making. Ratings shall be
prepared by the teacher's supervisor based upon observations by
the supervisor and input from the teacher regarding the
teacher's own professional development. The rating scale shall
include observations of the following domains, each of which
shall be rated separately, and then summarized in an overall
rating of distinguished, proficient, basic or unsatisfactory.

(A) Planning and preparation, including, at a minimum,
demonstrating knowledge of content and pedagogy and assessing
student learning so that assessments are used to improve student
learning.

(B) Classroom environment, including, at a minimum,
establishing a culture for learning.

(C) Instruction, including, at a minimum, communicating
clearly and accurately and engaging students in learning.

(D) Professional responsibilities, including, at a minimum,
reflecting on teaching, communicating with families and growing

1 and developing professionally.

2 (3) The department shall, within one (1) year of the
3 effective date of this section, develop a rating scale for the
4 assessment under paragraph (2). It shall include procedures for
5 first-year teachers to be evaluated on no more than the minimal
6 elements of each domain specified in paragraph (2). In order to
7 progress from one stage of the career ladder to the next, the
8 ratings required on the entire rating scale under section
9 1142.2(c) of this act shall be attained. The rating scale shall
10 be developed with the cooperation and advice of a committee
11 appointed by the secretary, including representation from
12 district superintendents, principals, classroom teachers, school
13 directors, school supervisors, parents of school-age children
14 enrolled in a public school, colleges or departments of
15 education within higher education institutions located within
16 this Commonwealth and such other groups or interests as the
17 secretary may deem appropriate. School entities shall use the
18 rating scale developed under this paragraph or may develop their
19 own rating scale, subject to approval by the secretary, provided
20 that such scale reports measures prescribed in paragraph (2).

21 (c) Teachers at the advanced or distinguished career stage
22 as prescribed in section 1142.2(c) of this act shall be
23 evaluated under subsection (a) or (b) at least once every five
24 (5) years.

25 (d) Teachers at the novice or apprentice career stage as
26 prescribed in section 1142.2(c) of this act shall be evaluated
27 under subsection (a) or (b) at least once every year.

28 (e) Principals shall be evaluated once every three (3) years
29 by their supervisors. Evaluations shall be based upon the
30 following criteria:

(1) Twenty-five percent (25%) shall be based upon a running average of three (3) years of value-added results aggregated to the school level for students taught in the school. The principal shall receive a rating of:

(i) Advanced for this portion of the evaluation if the average value-added results are significantly above one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(ii) Proficient for this portion of the evaluation if the average value-added results achieve one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(iii) Unsatisfactory for this portion of the evaluation if the average value-added results are significantly below one (1) year's worth of academic growth as provided in section 1550(d) of this act. Scores of students who have received less than a full year of instruction in the principal's school due to student mobility shall be weighted based upon the amount of time registered in the school. For principals with multiple value-added results, the rating shall be based upon the average of such results.

(2) Twenty-five (25%) percent shall be based upon achieving adequate yearly progress student proficiency goals with respect to absolute levels of proficiency, increases in levels of proficiency and closing achievement gaps among subgroups of students within the school, under the requirements of 20 U.S.C. § 6311(b).

(3) Fifty percent (50%) shall be based upon a behaviorally anchored rating scale based upon clearly defined research-based professional standards and measurement rubrics with strong emphasis on standards-based instruction, the principle of value-

added and data-driven decisionmaking. This review of the principal's professional practice shall be conducted by the principal's supervisor, based upon the following six standards:

(A) Facilitating development, articulation, implementation and stewardship of a vision of learning that is shared and supported by the school community.

(B) Advocating, nurturing and sustaining a school culture and instructional program conducive to student learning and staff professional growth.

(C) Ensuring management of the organization, operations, and resources for a safe, efficient and effective learning environment.

(D) Collaborating with families and community members, responding to diverse community interests and needs and mobilizing community resources.

(E) Acting with integrity, fairness and in an ethical manner.

(F) Understanding, responding to and influencing the larger political, social, economic, legal and cultural context.

(4) The department shall, within one (1) year of the effective date of this section, develop a rating scale for the assessment under paragraph (3). The rating scale shall be developed with the cooperation and advice of a committee appointed by the secretary, including representation from district superintendents, principals, classroom teachers, school directors, school supervisors, parents of school-age children enrolled in a public school, colleges or departments of education within higher education institutions located within this Commonwealth and such other groups or interests as the secretary may deem appropriate. School entities shall use the

rating scale developed under this paragraph or may develop their own rating scale, subject to approval by the secretary, provided that rating scale reports measures prescribed in paragraph (3).

(f) Supervisors who have line responsibility for instruction in schools shall be evaluated once every three (3) years by their supervisors. Evaluations shall be based upon the following criteria:

(1) Twenty-five (25%) percent shall be based upon a running average of three (3) years of value-added results aggregated to the school level for students taught in those schools for which the supervisor has responsibility. The supervisor shall receive a rating of:

(i) Advanced for this portion of the evaluation if the average value-added results are significantly above one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(ii) Proficient for this portion of the evaluation if the average value-added results achieve one (1) year's worth of academic growth as provided in section 1550(d) of this act.

(iii) Unsatisfactory for this portion of the evaluation if the average value-added results are significantly below one (1) year's worth of academic growth as provided in section 1550(d) of this act. Scores of students who have received less than a full year of instruction in the supervisor's schools due to student mobility shall be weighted based upon the amount of time registered in such schools. For supervisors with multiple value-added results, the rating shall be based upon the average of such results.

(2) Twenty-five (25%) percent shall be based upon achieving adequate yearly progress student proficiency goals with respect

1 to absolute levels of proficiency, increases in levels of
2 proficiency and closing achievement gaps among subgroups of
3 students within those schools for which the supervisor has
4 responsibility, under the requirements of 20 U.S.C. § 6311(b).

5 (3) Fifty percent (50%) shall be based upon the level of
6 support the supervisor provides those supervised in achieving
7 the professional practice standards under subsection (c).

8 This evaluation shall be performed by the superintendent with
9 input from principals who report to the supervisor.

10 (g) District level supervisors who are not covered by
11 subsection (g) shall be evaluated once every three (3) years by
12 their supervisors. Evaluations shall be based upon the following
13 criteria:

14 (1) Twenty-five (25%) percent shall be based upon a running
15 average of three (3) years of value-added results aggregated to
16 the district level. The supervisor shall receive a rating of:

17 (i) Advanced for this portion of the evaluation if the
18 average value-added results are significantly above one (1)
19 year's worth of academic growth as provided in section 1550(d)
20 of this act.

21 (ii) Proficient for this portion of the evaluation if the
22 average value-added results achieve one (1) year's worth of
23 academic growth as provided in section 1550(d) of this act.

24 (iii) Unsatisfactory if the average value-added results are
25 significantly below one (1) year's worth of academic growth as
26 provided in section 1550(d) of this act. For supervisors with
27 multiple value-added results, the rating shall be based upon the
28 average of such results.

29 (2) Twenty-five (25%) percent shall be based upon achieving
30 adequate yearly progress student proficiency goals with respect

1 to absolute levels of proficiency, increases in levels of
2 proficiency, and closing achievement gaps among subgroups of
3 students at the district level, under the requirements of 20
4 U.S.C. § 6311(b).

5 (3) Fifty percent (50%) shall be based upon the level of
6 support the supervisor provides those they supervise in
7 achieving the professional practice standards under this
8 section, including leadership in fostering continual
9 professional growth of staff, appropriate supervision and
10 evaluation, and data-driven decisionmaking.

11 This evaluation shall be performed by the superintendent with
12 input from professional employees who report to the supervisor.

13 (h) Prior to implementing the provisions of this section,
14 each school entity shall provide all professional employees with
15 at least ten (10) hours of professional development on the
16 concepts of value-added assessment and the elements of
17 professional practice assessments.

18 (i) The definitions in sections 1101 and 1141 of this act
19 apply to this section unless the context clearly indicates
20 otherwise.

21 Section 4. The act is amended by adding a section to read:

22 Section 1142.2. Career Ladder and Salaries.--(a) All school
23 districts and vocational school districts shall pay each
24 professional employee and each temporary professional employee a
25 salary for each school year in accordance with a compensation
26 system consisting of a base salary and service increments under
27 this section and educational attainment increments under section
28 1144, except as provided in section 1205-C(f).

29 (b) Teachers shall be categorized according to the career
30 ladder stages in subsection (c). The base salary and service

1 increments for each stage shall be determined for each school
2 entity pursuant to a collective bargaining agreement between the
3 employer and the employe organization as those terms are defined
4 in section 1101-A: Provided, however, That the base salary for
5 each stage on the career ladder under subsection (c) except
6 distinguished shall be at least fifteen percentum (15%) higher
7 than the highest service increment on the previous stage. Such
8 agreement shall be negotiated pursuant to the act of July 23,
9 1970 (P.L.563, No.195), known as the "Public Employe Relations
10 Act." Any agreement entered into on or after the effective date
11 of this section shall comply with and be limited by the
12 provisions of this section. Nothing contained herein shall be
13 construed to supersede or to require the renegotiation of any
14 contract in force on the effective date of this section. The
15 base salary shall not be less than one standard deviation below
16 the average base salary paid by other school entities comprising
17 a regional employment market for professional employes and
18 temporary professional employes as such regional markets are
19 defined by the secretary. Annually, by January 15, the secretary
20 shall determine such regional employment markets, the school
21 entities that comprise each and the average base salaries for
22 each career ladder stage in each regional labor market.
23 Annually, by February 1, the secretary shall report this
24 information to the chairman and minority chairman of the
25 Education Committee of the Senate and the chairman and minority
26 chairman of the Education Committee of the House of
27 Representatives and shall cause the same to be published in the
28 Pennsylvania Bulletin. Notwithstanding any provision of this
29 section to the contrary, no professional employe or temporary
30 professional employe shall be paid less than the compensation

1 received on the effective date of this section and shall
2 continue to be eligible for compensation increases until the
3 compensation provided for in this section exceeds that which
4 they already were receiving.

5 (c) Except as provided in subsection (d), all teachers shall
6 be placed upon one of the following career ladder stages based
7 solely upon the knowledge and skills criteria set forth in this
8 subsection, and future agreements between employers and employes
9 shall reflect the provisions of this subsection. In placing
10 teachers on stages of the career ladder, school districts are
11 expressly prohibited from artificially limiting the number of
12 teachers on any stage.

13 (1) Novice. This is the entry stage of the career ladder
14 and includes temporary professional employes and professional
15 employes with an Instructional I certificate and successful
16 completion of the Praxis II content and professional knowledge
17 tests or such other tests as may subsequently be determined by
18 the secretary under section 49.18 of the regulations of the
19 board. Novice teachers shall receive induction/mentoring under
20 section 1205-B and shall be subject to annual performance
21 reviews under section 1123(a) or (b) resulting from at least
22 three (3) observations per year. Novice teachers shall receive a
23 service increment at the end of their first and second years as
24 novice teachers. Notwithstanding any other provision of this
25 section, of any other act including without limitation the
26 "Public Employee Relations Act," of any regulation, or of any
27 collective bargaining agreement between an employer and an
28 employe organization as those terms are defined in section 1101-
29 A, any novice teacher who fails to meet the requirements for the
30 apprentice level on the career ladder under paragraph (2) within

three (3) years of employment shall be dismissed by the board of school directors.

(2) Apprentice. This is the second stage of the career ladder and includes professional employees and temporary professional employees with at least two (2) years of experience as novice teachers, ratings under section 1123(a)(2) or (b)(1) of at least proficient and professional practice ratings under section 1123(a)(3) or (b)(2) of at least basic. Apprentice teachers shall be subject to annual performance reviews under section 1123(a) or (b) resulting from at least three (3) observations per year. Apprentice teachers shall receive a service increment at the end of their first and second years as apprentice teachers. Notwithstanding any other provision of this act, of any other act including without limitation the "Public Employe Relations Act," of any regulation, or of any collective bargaining agreement between an employer and an employee organization as those terms are defined in section 1101-A, any apprentice teacher who fails to meet the requirements for the career level on the career ladder under paragraph (3) within three (3) years of becoming an apprentice teacher shall be dismissed by the board of school directors.

(3) Career. This is the third stage of the career ladder and includes professional employees with at least two (2) years of experience as apprentice teachers, Instructional II certification, a Master's Degree, ratings under section 1123(a)(1) or (b)(1) of at least proficient and professional practice ratings under section 1123(a)(3) or (b)(2) of at least proficient. Career teachers shall be subject to performance reviews at least every three (3) years under section 1123(a) or (b) resulting from no fewer than three (3) observations per

1 year. A career teacher who receives a rating of below proficient
2 in any of the domains under section 1123(a)(3) or (b)(2) shall
3 be evaluated again the following school year. Career teachers
4 shall receive a maximum of six (6) service increments while they
5 are on this stage of the career ladder but shall continue to
6 receive any cost of living increases that are provided for in
7 collective bargaining agreements.

8 (4) Advanced. This is the fourth stage of the career ladder
9 and includes professional employes with at least two (2) years
10 of experience as career teachers, ratings under section
11 1123(a)(1) or (b)(1) of distinguished and professional practice
12 ratings under section 1123 (a)(3) or (b)(2) of distinguished.
13 Advanced teachers shall be subject to performance reviews at
14 least every five (5) years, or as often as every two (2) years,
15 under section 1123(a) or (b).

16 (5) Distinguished. This is the highest stage of the career
17 ladder and includes professional employes with at least two (2)
18 years of experience as career teachers, certification by the
19 National Board for Professional Teaching Standards, ratings
20 under section 1123(a)(1) or (b)(1) of distinguished, and
21 professional practice ratings under section 1123(a)(3) or (b)(2)
22 of distinguished. Distinguished teachers shall be subject to
23 performance reviews at least every five (5) years or as often as
24 every two (2) years under section 1123(a) or (b). The base
25 salary for a distinguished teacher shall be at least the greater
26 of five thousand dollars (\$5,000) or ten percentum (10%) more
27 than the highest service increment for an advanced teacher.

28 (d) Professional employes who are employed by school entities
29 on the effective date of this act may opt not to participate in
30 the career ladder. They shall receive service increments under

subsection (c)(3), including the provision for a maximum of ten (10) such service increments.

(e) The salary schedule agreed upon as part of a collective bargaining agreement between an employer and an employee organization as those terms are defined in section 1101-A may not include increments for credits beyond degrees earned but shall include increments for educational attainment under section 1144.

(f) A school entity may propose to use an alternative career ladder, provided it meets the following criteria:

(1) The alternative shall have at least three career stages, for novice, career and distinguished teachers. Novice teachers must meet at least the criteria under subsection (c)(1) and must become career teachers within six (6) years or face dismissal as required in subsection (c)(2). Career teachers must meet at least the criteria under subsection (c)(3). Distinguished teachers must meet at least the criteria under subsection (c)(5).

(2) The alternative shall incorporate the provisions of subsections (b) and (e).

(3) The alternative negotiated pursuant to the "Public Employe Relations Act" shall be approved by the department based upon its compliance with the requirements of this section.

(g) Principals and supervisors shall be categorized according to the career ladder stages in subsection (h). The base salary and service increments for each stage shall be determined for each school entity pursuant to section 1164: Provided, however, That the base salary for each stage on the career ladder under subsection (h) shall be at least fifteen percentum (15%) higher than the highest service increment on the

1 previous stage. The base salary shall not be less than one
2 standard deviation below the average base salary paid by other
3 school entities comprising a regional employment market for
4 principals and supervisors as such regional markets are defined
5 by the secretary. Annually, by January 15, the secretary shall
6 determine such regional employment markets, the school entities
7 that comprise each and the average base salaries for each career
8 ladder stage in each regional labor market. Annually, by
9 February 1, the secretary shall report this information to the
10 chairman and minority chairman of the Education Committee of the
11 Senate and the chairman and minority chairman of the Education
12 Committee of the House of Representatives and shall cause the
13 same to be published in the Pennsylvania Bulletin.
14 Notwithstanding any provision of this section to the contrary,
15 no principal or supervisor shall be paid less than the
16 compensation received on the effective date of this section and
17 shall continue to be eligible for compensation increases until
18 the compensation provided for in this section exceeds that which
19 they already were receiving.

20 (h) All principals and supervisors shall be placed upon one
21 of the following career ladder stages based upon the criteria
22 set forth in this subsection:

23 (1) Intern. This is the first stage of the career ladder and
24 applies to the first three (3) years of service as a principal
25 or supervisor. During this time, the intern will be assigned a
26 distinguished principal or distinguished supervisor to observe
27 and assist the intern. An intern shall be subject to annual
28 performance reviews under section 1123 (e), (f) or (g). An
29 intern shall receive an annual service increment provided such
30 performance review indicates proficient or higher performance. A

principal or supervisor who does not qualify for the career stage at the end of three (3) years shall be demoted or dismissed, notwithstanding any provision of law or regulation to the contrary.

(2) Career. This is the second stage of the career ladder. A principal or supervisor who has completed three (3) years as an intern with annual performance reviews under section 1123 (e), (f) or (g) of proficient or better shall be placed on the career stage. A career principal or supervisor shall be subject to performance reviews every two (2) years under section 1123 (e), (f) or (g) and shall receive an annual service increment provided such performance reviews indicate proficient or higher performance.

(3) Distinguished. This is the highest stage of the career ladder. A principal or supervisor who has completed at least two (2) years as a career principal or supervisor with performance reviews under section 1123 (e), (f) or (g) of distinguished shall be placed on the distinguished stage. A distinguished principal or supervisor shall be subject to performance reviews at least every five (5) years or at the discretion of the superintendent as often as every two (2) years under section 1123 (e), (f) or (g) and shall receive an annual service increment provided such performance reviews indicate distinguished performance.

(i) The salary schedule for principals and supervisors may not include increments for credits beyond degrees earned but shall include increments for educational attainment under section 1144.

(j) The salary of any professional employee who is moved to a lower stage on the career ladder as a result of performance

1 evaluations shall be frozen, except for cost of living
2 adjustments, until such time as the professional employe returns
3 to the higher stage on the career ladder. No such professional
4 employe shall be entitled to any retroactive salary increases
5 for the period of time spent on the lower stage of the career
6 ladder.

7 (k) The definitions in sections 1101 and 1141 apply to this
8 section unless the context clearly indicates otherwise.

9 Section 5. Section 1144 of the act, amended June 12, 1968
10 (P.L.192, No.96), is amended to read:

11 Section 1144. Additional Increments for [College Certificate
12 or Master's Degree] Educational Attainment.--[Any professional
13 employe or temporary professional employe, who, during the term
14 of his employment, shall receive a college certificate or shall
15 earn a Master's Degree, shall, commencing with the next
16 succeeding school term, be entitled to the compensation
17 prescribed for his new status, which shall be at least three
18 hundred dollars (\$300) in excess of the annual service increment
19 earned by him the previous year.

20 Any temporary professional employe who holds a Master's
21 Degree at the time of his initial employment in the public
22 schools of this Commonwealth shall receive, commencing with the
23 second year of service, compensation of at least three hundred
24 dollars (\$300) in excess of that to which such employe would
25 otherwise be entitled.] (a) Any novice or apprentice teacher
26 under section 1142.2(c)(1) and (2) who obtains a Master's Degree
27 after the effective date of this section or who has a Master's
28 Degree on the effective date of this section shall receive an
29 educational attainment increment under the salary schedule
30 provided for in section 1142.2. The increment shall not be less

1 than two thousand dollars (\$2,000) in excess of the amount paid
2 otherwise qualified novice or apprentice teachers with
3 Bachelor's Degrees.

4 (b) Any novice or apprentice teacher under section
5 1142.2(c)(1) and (2) who obtains an earned doctorate after the
6 effective date of this section or who has an earned doctorate on
7 the effective date of this section shall receive an educational
8 attainment increment under the salary schedule provided for in
9 section 1142.2. The increment shall not be less than two
10 thousand dollars (\$2,000) in excess of the amount paid otherwise
11 qualified novice or apprentice teachers with Master's Degrees.

12 (c) Any career, advanced, or distinguished teacher under
13 section 1142.2(c)(3), (4) and (5) who obtains an earned
14 doctorate after the effective date of this section or who has an
15 earned doctorate on the effective date of this section shall
16 receive an educational attainment increment under the salary
17 schedule provided for in section 1142.2.

18 (d) Any principal or supervisor under section 1142.2(h) who
19 obtains an earned doctorate after the effective date of this
20 section or who has an earned doctorate on the effective date of
21 this section shall receive an educational attainment increment
22 under the salary schedule provided for in section 1142.2(h). The
23 increment shall not be less than two thousand dollars (\$2,000)
24 in excess of the amount paid otherwise qualified principals or
25 supervisors with Master's Degrees.

26 Section 6. Section 1205.1(c.1) of the act, amended November
27 23, 1999 (P.L.529, No.48), is amended and the section is amended
28 by adding a subsection to read:

29 Section 1205.1. Continuing Professional Development.--* * *

30 (c.1) The continuing professional education plan shall

1 specify the professional education needs that will be met by
2 completion of each continuing professional education option and
3 how it relates to areas of assignment and certification or
4 potential administrative certification. The options may include,
5 but shall not be limited to:

6 (1) Collegiate studies.

7 (2) Continuing professional education courses taken for
8 credit.

9 (3) Other programs, activities or learning experiences taken
10 for credit or hourly, to include:

11 (i) curriculum development and other program design and
12 delivery activities at the school entity or grade level as
13 determined by the school entity and approved by the board of
14 directors;

15 (ii) participation in professional conferences and
16 workshops;

17 (iii) education in the workplace, where the work relates to
18 the professional educator's area of assignment and is approved
19 by the board of directors;

20 (iv) review, redesign and restructuring of school programs,
21 organizations and functions as determined by the school entity
22 and approved by the board of directors;

23 (v) in-service programs that comply with guidelines
24 established by the department;

25 (vi) early childhood and child development activities for
26 professional educators whose area of assignment includes
27 kindergarten through third grade;

28 (vii) special education activities for professional educators
29 whose area of assignment includes students with special needs;

30 [or]

(viii) programs, activities or learning experiences specifically designed to assist in meeting needs identified in the evaluations of professional educators under section 1123 or required as a result of the peer assistance and review program under section 1205-C; or

(ix) other continuing professional education courses, programs, activities or learning experiences sponsored by the department.

* * *

(c.5) A professional education plan shall describe the mentoring and induction activities for new educators under section 1205-B.

Section 7. The act is amended by adding sections to read:
Section 1205.1-A. Mentoring and induction.

(a) Plan preparation.--As part of its professional education plan, each school entity shall describe the activities it will undertake to induct new professional employees into the school entity and the new professional assignment. The induction plan shall focus on mentoring and peer assistance for new professional employees by those at the advanced or distinguished stages of their careers under sections 1142.2(c)(4) and (5) and 1142.2(h)(3).

(b) Assistance.--Novice teachers under section 1142.2(c)(1) shall receive mentoring and peer assistance from an advanced or distinguished teacher and the building principal for at least two and not more than three years. This assistance shall focus on improving the novice teacher's classroom instructional skills and be intensive during the first year of employment or until the novice teacher achieves professional practice ratings under section 1123(a)(3) or (b)(2) of at least basic. Intensive

1 mentoring shall consist of at least one classroom observation
2 per week of at least one hour's duration followed by both
3 written and oral comments prior to the next classroom
4 observation. At the conclusion of the mentoring period, the
5 mentor shall submit a detailed report of the novice teacher's
6 progress and effectiveness to the principal and the novice
7 teacher. The report shall be submitted according to standards
8 adopted by the district and included in the professional
9 education plan under section 1205.1.

10 (c) Revised professional responsibilities.--Advanced and
11 distinguished teachers assigned to mentor novice teachers shall
12 be released from at least one-half of their teaching duties
13 during any school year in which the mentoring services are
14 provided, but such year shall be counted as a year of teaching
15 for purposes of calculating salaries under section 1142.2 and
16 for computing credited service under the provisions of 24
17 Pa.C.S. § 8102 (relating to definitions). No teacher may serve
18 as a mentor for more than three consecutive years.

19 (d) Plans for administrators.--An intern principal or
20 supervisor under section 1142.2(h)(1) shall be assigned a
21 distinguished principal or distinguished supervisor to observe
22 and assist the intern during the three years of internship
23 status. The degree of intensity of such assistance shall be
24 determined on a case-by-case basis by the intern and the
25 intern's supervisor and shall reflect prior experience and
26 progress in meeting the professional practice standards under
27 section 1123(e)(3), (f)(3) or (g)(3).

28 (e) Definition.--As used in this section, "mentor" shall
29 mean an advanced or distinguished teacher assigned to provide
30 mentoring/induction assistance to a novice teacher.

1 Section 1205.2-A. Peer assistance and review.

2 (a) Development.--Each school entity shall develop a peer
3 assistance and review program to assist teachers whose ratings
4 under section 1123 indicate a need for such interventions.

5 (b) Selection.--Each school entity shall select a peer
6 assistance and review committee to manage the program. At a
7 minimum, it shall consist of one representative of the district
8 administration, who may be a principal, supervisor, assistant
9 superintendent or superintendent, one representative of the
10 teachers, who shall be an advanced or distinguished teacher, and
11 one representative of an external approved professional
12 development provider as defined in section 1205.2(o). Each
13 school entity shall determine the size of the committee,
14 provided that it not exceed eleven members. In addition to the
15 external professional development provider, the numbers of
16 administrators and teachers shall be equal. Within the
17 qualifications specified in this section, the administrative
18 members shall be selected by the superintendent and the teacher
19 representatives shall be selected by the employee organization
20 representing the teachers as that term is defined in section
21 1101-A.

22 (c) Design of program.--The peer assistance and review
23 committee established under subsection (b) shall design the
24 school entity's program, select advanced and distinguished
25 teachers to provide peer assistance and shall approve referrals
26 of teachers for peer assistance.

27 (d) Referral for assistance.--Teachers shall be referred for
28 peer assistance and review if they meet one or more of the
29 following criteria:

30 (1) The value-added student test score portion of the

1 teacher's rating under section 1123(a)(1) is below proficient
2 or if the student achievement goal portion of the teacher's
3 rating under section 1123(b)(1) is unsatisfactory for two
4 consecutive rating periods.

5 (2) The professional practice portion of the teacher's
6 rating under section 1123(a)(3) or (b)(2) is unsatisfactory
7 for two consecutive rating periods or, in the case of a
8 career, advanced or distinguished teacher, is basic or
9 unsatisfactory for two consecutive rating periods.

10 (3) The teacher makes a self-referral in writing.

11 (e) Assignment.--A teacher approved to receive peer
12 assistance and review shall be assigned an advanced or
13 distinguished teacher for a period of at least one year. The two
14 teachers shall engage in mutual goal-setting and planning to
15 design an intensive individualized program that involves
16 coaching/mentoring, regular classroom observation by the mentor
17 and such other professional development and assistance as the
18 referred teacher may need.

19 (f) Limitation on compensation.--While a teacher is
20 receiving peer assistance and review, such teacher shall not be
21 eligible to receive any compensation increments, notwithstanding
22 any provision of this act, of any other act including without
23 limitation the act of July 23, 1970 (P.L.563, No.195), known as
24 the Public Employe Relations Act, of any regulation, or of any
25 collective bargaining agreement between an employer and an
26 employee organization as those terms are defined in section
27 1101-A to the contrary.

28 (g) Detailed report.--At the conclusion of one year of peer
29 assistance and review, the mentor shall submit a detailed report
30 of the referred teacher's progress to the principal, the

1 referred teacher and the committee. The report shall be
2 submitted according to standards developed by the peer
3 assistance and review committee under subsection (b). At the
4 conclusion of one year of peer assistance and review, the
5 referred teacher shall be subject to evaluation under section
6 1123(a) or (b). If the report by the mentor indicates that the
7 referred teacher has met the goals of the peer assistance and
8 review, and if the evaluation under section 1123 indicates that
9 the teacher's performance is at least proficient, the peer
10 assistance and review shall be terminated. If the report
11 indicates the referred teacher is making sufficient progress as
12 defined by the committee, but the evaluation remains below
13 proficient, the referred teacher shall receive a second year of
14 peer assistance and review. If both the report and the
15 evaluation under section 1123 indicate that the referred
16 teacher's performance continues to be unsatisfactory, such
17 teacher shall be dismissed by the board of school directors,
18 notwithstanding any other provision of this act, of any other
19 act including without limitation the Public Employee Relations
20 Act, of any regulation or of any collective bargaining agreement
21 between an employer and an employee organization as those terms
22 are defined in section 1101-A.

23 (h) Dismissal.--Notwithstanding any other provision of this
24 act, of any other act including without limitation the Public
25 Employee Relations Act, of any regulation or of any collective
26 bargaining agreement between an employer and an employee
27 organization as those terms are defined in section 1101-A, any
28 referred teacher who fails to achieve an evaluation of
29 proficient or higher under section 1123 after two years of peer
30 assistance and review shall be dismissed by the board of school

1 directors.

2 (i) Reduced responsibilities.--Advanced and distinguished
3 teachers assigned to the peer assistance and review program
4 shall be released from at least one-half of their teaching
5 duties during any school year in which such services are
6 provided, but such year shall be counted as a year of teaching
7 for purposes of calculating salaries under section 1142.2 and
8 for computing credited service under the provisions of 24 Pa.C.S
9 § 8102 (relating to definitions). No teacher may serve as a peer
10 review member for more than three consecutive years.

11 (j) Model program.--The department shall, within one year of
12 the effective date of this section, develop a model peer
13 assistance and review program that school entities may adopt in
14 lieu of developing local programs as required in subsection (a),
15 provided, however, that the peer assistance and review committee
16 under subsection (c) shall be required to adopt the department
17 plan in lieu of a local plan. The model program shall be
18 developed with the cooperation and advice of a committee
19 appointed by the Secretary of Education including representation
20 from district superintendents, principals, classroom teachers,
21 school directors, school supervisors, parents of school-age
22 children enrolled in a public school, colleges or departments of
23 education within higher education institutions located within
24 this Commonwealth, and such other groups or interests as the
25 secretary may deem appropriate. The model program developed by
26 the department shall meet the requirements of this section.

27 (k) Definition.--

28 (1) As used in this section, "mentor" shall mean an
29 advanced or distinguished teacher assigned to provide peer
30 assistance and review to another teacher.

1 (2) The definitions in sections 1101 and 1141 apply to
2 this section unless the context clearly indicates otherwise.
3 Section 1205.3-A. Collaborative professional development.

4 (a) Establishment.--In order to promote collaborative
5 professional development among groups of professional educators,
6 a collaborative professional development grant program within
7 the department is hereby established. Within six months of the
8 effective date of this section, the Secretary of Education shall
9 develop specific program requirements and forms that are not
10 inconsistent with the provisions of this section and distribute
11 the requirements and forms to all school entities, all
12 principals and all presidents of employee organizations
13 representing teachers as that term is defined in section 1101-A.

14 (b) Project development.--Teams of no fewer than five nor
15 more than ten teachers within a school, organized by grade level
16 or content area, may design innovative projects designed to
17 improve student achievement within their school.

18 (c) Submission.--The teams shall submit such proposed
19 projects using the forms provided by the secretary to their
20 principal for approval. The proposal shall include a detailed
21 budget not to exceed \$5,000. If approved, the principal shall
22 submit the application to the secretary for review and shall
23 notify the superintendent.

24 (d) Appeals.--If the principal does not approve an
25 application, the team of teachers may appeal to a committee
26 comprised of a district representative appointed by the
27 superintendent, a teacher representative appointed by the
28 employee organization representing the teachers as that term is
29 defined in section 1101-A and an external approved provider of
30 professional development as that term is defined in section

1 1205.2(o). If approved, the superintendent shall submit the
2 application to the secretary for review.

3 (e) Approval and payment.--If the department approves the
4 proposal, it shall pay the district in which the team of
5 teachers are employed a grant of \$5,000 for use exclusively by
6 the team of teachers to implement the proposed project.

7 (f) Evaluation.--All projects funded under this section
8 shall be evaluated to determine if they are successful by
9 achieving one of the following criteria:

10 (1) Value-added student results for students in the
11 project that are significantly above one year's worth of
12 academic growth as provided in section 1550(d).

13 (2) Value-added student test results for students in the
14 project averaging at least one year's academic growth and
15 achievement of one or more data-driven student achievement
16 goals detailed in the teacher team's proposal.

17 (g) Bonuses.--During the school year following documentation
18 of successful implementation of a collaborative professional
19 development project under subsection (f), the department shall
20 pay each member of the teacher team the sum of \$3,500. This
21 amount shall not be considered part of a teacher's salary for
22 purposes of determining future salaries under section 1142.2 or
23 for computing compensation under 24 Pa.C.S. § 8102 (relating to
24 definitions).

25 (h) Applicable definitions.--The definitions in sections
26 1101 and 1141 apply to this section unless the context clearly
27 indicates otherwise.

28 Section 1205.4-A. Expenditures for professional development and
29 teacher coaches.

30 (a) Utilization--Each school district shall use funds from

its successful school budget subsidy to provide all professional employees with at least 12 days of professional development or an hourly equivalent of 12 days of professional development each school year.

(b) Additional teacher.--Each school district shall use funds from its successful school budget subsidy to employ at least one full-time equivalent teacher coach for every 300 students to assist its teachers.

Section 1550. Value-added Assessment.--(a) As used in this section, the following terms shall have the following meanings, unless the context clearly indicates otherwise:

"Board." The State Board of Education of the Commonwealth established under Article XXVI-B.

"Department." The Department of Education of the Commonwealth.

"NAEP." The National Assessment of Educational Progress administered under the requirements of 20 U.S.C. § 6311.

"Secretary." The Secretary of Education of the Commonwealth.

"Value-added assessment." A statistical system for educational outcome assessment that uses measures of student learning to estimate teacher, school and school district statistical distributions. This statistical system shall use available and appropriate data as input for prior and future differences in student attainment so that the impact that the teacher, school and school district have on the educational progress of students may be estimated on a student attainment constant basis. This statistical system shall have the capability of providing mixed model methodologies that provide for best linear unbiased prediction for the effects of teachers, schools and school districts on the educational progress of

1 students. The statistical system shall have the capacity to use
2 varying quantities of information for each student so that the
3 information for each student who has met the eligibility
4 requirements for State tests will be included in the estimation
5 process.

6 (b) The board shall establish a unified assessment system
7 that includes annual State tests for all students in second
8 through twelfth grades in the public schools of this
9 Commonwealth. For students in second through eighth grades,
10 these tests will be in the areas of English-language arts,
11 mathematics, science and social studies and shall be aligned
12 with the State's academic standards under 22 Pa. Code Ch.4
13 (relating to academic standards and assessment). For students in
14 ninth through twelfth grades, these tests also shall be in
15 subject specific areas for which standards have been
16 established. Wherever there is a continuity in the curriculum,
17 these tests shall be vertically scaled and cover the full range
18 of curriculum to minimize ceiling and floor effects and shall
19 annually consist of fresh, nonredundant, equivalent test forms.

20 (c) The tests shall be administered every year in the
21 spring, or at the completion of each semester in the case of
22 block scheduling, and test results shall be included in a value-
23 added statistical system.

24 (d) Teachers, administrators, schools and school districts
25 shall be rated based upon the value-added assessments in terms
26 of whether their students have achieved one year's worth of
27 academic growth using a three-year running average. One year's
28 worth of academic growth shall be determined by the department
29 using the national norm gain as the reference standard. If
30 national norm gain information is not available, one year's

1 worth of academic growth shall be determined by the department
2 using a baseline year of the average Statewide value-added
3 teacher effect. Value-added assessments for an individual
4 teacher, administrator, school or school district that are at
5 least one and one-half standard errors of measurement above one
6 year's worth of academic growth shall be considered
7 significantly above one year's worth of academic growth. Value-
8 added assessments for an individual teacher, administrator,
9 school or school district that are at least two standard errors
10 of measurement below one year's worth of academic growth shall
11 be considered significantly below one year's worth of academic
12 growth. Value-added assessments for an individual teacher,
13 administrator, school or school district that are less than one
14 and one-half standard errors of measurement above one year's
15 worth of academic growth and less than two standard errors of
16 measurement below one year's worth of academic growth shall be
17 considered as achieving one year's worth of academic growth.

18 Section 1551. Promotion and High School Graduation.--(a)
19 Notwithstanding the provisions of section 1531 or 22 Pa.Code §
20 4.24 (relating to high school graduation requirements) to the
21 contrary, the provisions of subsection (b) shall apply to school
22 district decisions to promote students, and the provisions of
23 subsection (c) shall apply to school district decisions to award
24 high school diplomas to students.

25 (b) In order to be promoted from the fourth to the fifth
26 grade or from the eighth to the ninth grade, a student shall
27 attain a score of proficient or higher on the tests of English-
28 language arts, mathematics, science and social studies
29 administered in the spring of their fourth and eighth grades,
30 respectively. School districts shall continue to apply other

criteria at their discretion to making decisions about promotion, but shall include as one element of such decisions the test scores provided for in this subsection. Promotion for students receiving special education services shall be governed by satisfactory completion of the requirements of their individualized education programs under 22 Pa. Code § 14.131 (relating to IEP).

(c) In order to graduate from high school, a student shall attain a score of proficient or higher on the tenth grade tests of English-language arts, mathematics, science and social studies. School districts shall continue to apply other criteria at their discretion to making decisions about high school graduation, but shall include as one element of such decisions the test scores provided for in this subsection. Graduation for students receiving special education services shall be governed by the graduation requirements of 22 Pa. Code § 4.24(f).

(d) To the degree that 22 Pa. Code § 4.24 is inconsistent with this section, the board shall revise that section in conjunction with the development of the value-added assessment system under section 1550.

Section 1552. Retesting and Remediation.--(a) Any student who fails to meet the requirements of section 1551(b) shall be given an opportunity to take any tests with scores below proficiency. Such retesting shall occur prior to the opening of school in the fall. Parents may request in writing that their children not be retested. A student who meets the required levels of attainment on all retests and who has met all other school district requirements for promotion shall be promoted to the next grade. A student who meets the required levels of attainment on some retests shall be permitted to advance in

1 those areas only.

2 (b) Any student who fails to meet the requirements of
3 section 1551(c) shall be given an opportunity to take any tests
4 with scores below proficiency on at least two (2) occasions
5 during eleventh grade and if necessary on at least two (2)
6 occasions during twelfth grade. A student who meets the required
7 levels of attainment on all retests and who has met all other
8 school district requirements for high school graduation shall be
9 granted a high school diploma at the end of twelfth grade.

10 (c) School districts shall provide focused intervention for
11 any student who is not promoted because of failure to meet the
12 retesting requirements under subsection (a). Such interventions
13 shall involve extended instructional opportunities that are
14 different from and supplemental to the regular curriculum and
15 are specifically designed to improve student performance on the
16 tests. Every student who is not promoted under subsection (a)
17 shall have a personalized education plan that includes a
18 diagnostic evaluation, intervention strategies and monitoring
19 strategies. Intervention strategies may include, but are not
20 limited to, alternative learning models, special homework,
21 smaller classes, tutorial sessions, extended school days, weeks,
22 or years, modified instructional programs, parent involvement,
23 and retention. The personalized education plan under this
24 section shall be developed by the student's teacher or teachers
25 and principal in consultation with the student's parents or
26 guardians.

27 (d) School districts shall provide focused intervention for
28 any student who is in danger of not graduating from high school
29 because of failure to meet the retesting requirements under
30 subsection (b). Such interventions shall involve extended

instructional opportunities that are different from and supplemental to the regular curriculum and are specifically designed to improve student performance on the State assessments under section 1550. Every student who is in danger of not graduating from high school under subsection (b) shall have a personalized education plan that includes a diagnostic evaluation, intervention strategies and monitoring strategies. Intervention strategies may include, but are not limited to, alternative learning models, special homework, smaller classes, tutorial sessions, extended school days, weeks or years, modified instructional programs and parent involvement. The personalized education plan under this section shall be developed by the student's teacher or teachers and principal in consultation with the student and the student's parents or guardians.

Section 1553. Expenditures to Assist Struggling Students.-- Each school district shall use funds from its successful school budget subsidy to provide assistance to students who are struggling academically. The minimum expenditure for this purpose shall be the equivalent of providing each low-income student in the district with ten (10) additional days of instruction in a class of no more than ten (10) students each year.

Section 8. Section 1705-B(a) of the act, amended November 22, 2000 (P.L.672, No.91), is amended to read:

Section 1705-B. Education Empowerment Districts.--(a) Except as provided in subsection (h), [a school district on the education empowerment list that does not meet the goals for improving educational performance as set forth in the school district improvement plan and maintains a history of low test

1 performance at the end of the third school year following the
2 date of its placement on the list] an underperforming district
3 that fails to improve achievement sufficiently to remove the
4 reason for having been declared an underperforming district
5 within three years of having its academic recovery plan accepted
6 by the department under section 1703-C shall be certified by the
7 department as an education empowerment district and a board of
8 control shall be established. The department may allow the
9 school district to [remain on the education empowerment list]
10 continue to implement its academic recovery plan for an
11 additional school year prior to certifying the school district
12 as an education empowerment district if the department
13 determines that the additional year will enable the school
14 district to improve [test performance and meet other goals set
15 forth in the school district improvement plan] achievement
16 sufficiently to remove the reason for having been declared an
17 underperforming district.

18 * * *

19 Section 9. The act is amended by adding an article to read:

20 ARTICLE XVII-C.

21 School and School District Accountability

22 Section 1701-C. Holding schools and school districts
23 accountable.

24 This article is intended to hold schools and school districts
25 accountable for improving the academic achievement of students
26 in this Commonwealth in conjunction with an increased State
27 responsibility for funding education.

28 Section 1702-C. Holding schools accountable.

29 (a) School evaluations.--Every school, including charter
30 schools under Article XVII-A, shall be evaluated annually using

the following criteria:

(1) Value-added test scores under section 1550.

(2) Adequate yearly progress in meeting student proficiency goals with respect to absolute levels of proficiency, increases in levels of proficiency and closing achievement gaps among subgroups of students within the school, under the requirements of 20 U.S.C. § 6311(b).

(3) Student attendance rates and changes in rates over a three-year period.

(4) For high schools, graduation rates and changes in rates over a three-year period.

(5) For high schools, dropout rates and changes in rates over a three-year period.

(b) School profiles.--The department shall include this evaluation in the annual school profiles developed by the department pursuant to 22 Pa. Code § 4.61 (relating to school profiles).

(c) School performance incentives.--In implementing the school performance incentive program under section 2595, the Secretary of Education shall incorporate results of value-added assessments and adequate yearly progress under subsection (a)(1) and (2) into the student achievement criterion in section 2595(c)(1)(i) when such results become available.

(d) Underperforming schools.--The secretary shall declare any school to be an underperforming school and shall notify the superintendent and the board of school directors if such school meets one or more of the following criteria:

(1) Value-added student test scores under section 1550(d) that are significantly below one year's worth of academic growth for two consecutive years.

1 (2) The school fails to make adequate yearly progress in
2 meeting student proficiency goals with respect to absolute
3 levels of proficiency, increases in levels of proficiency and
4 closing achievement gaps among subgroups of students within
5 the school, under the requirements of 20 U.S.C. § 6311(b) for
6 two consecutive years.

7 (e) Regional assistance teams.--Within 30 days of being
8 notified that a school is under-performing, the intermediate
9 unit shall designate a regional assistance team of nonschool
10 district personnel under section 923.3-A. In the case of
11 underperforming schools located in the school district that
12 comprises Intermediate Unit Number 2, the regional assistance
13 team shall be designated by Intermediate Unit Number 3. In the
14 case of under-performing schools located in the school district
15 that comprises Intermediate Unit Number 26, the regional
16 assistance team shall be designated by Intermediate Unit Number
17 22, 23, 24 or 25 at the discretion of the secretary. The
18 regional assistance team shall consist of at least two advanced
19 or distinguished teachers and at least two distinguished
20 principals and supervisors working at the appropriate grade
21 level in other school districts comprising the intermediate
22 unit. The team may also include local business and community
23 leaders, approved providers of professional development as that
24 term is defined in section 1205.2(o) and representatives of
25 higher education. Composition of the team shall be designed to
26 include members with a high degree of knowledge and skills in
27 the areas of school leadership, curriculum and instruction,
28 classroom management and discipline, academic assessment, home-
29 school relations, and evaluation and research. The team shall
30 have three years from the time of its appointment to eliminate

the cause of the school having been declared underperforming under subsection (d). Team members shall observe instruction in the school and provide mentoring and assistance to the school's professional employees. In consultation with the school's principal, teachers and parents of students attending the school, the regional assistance team may recommend to the superintendent any of the following actions to improve student achievement in the school:

(1) Changes in curriculum, instruction, assessment and instructional materials.

(2) Changes in professional development activities for professional employees in the school.

(3) Changes in methods of school leadership.

(4) Changes in the scheduling of instruction, including making additional time available for some or all students in the school.

(5) Changes in school practice with regard to classroom management and discipline.

(6) Changes in methods of informing parents and involving them in the education of their children.

(7) Reassignment of school personnel.

(f) Regional assistance.--In addition to the assistance provided by members of the regional assistance team to school personnel, the superintendent shall implement those recommendations under subsection (h) that are made by the assistance team.

(g) State grant.--During the three years that the underperforming school receives regional assistance, the intermediate unit shall receive an annual grant from the Commonwealth equal to \$75 per pupil in average daily membership, provided, however,

1 that such grant shall not be less than \$100,000 per year. This
2 grant shall be administered by the regional assistance team to
3 support its work and the implementation of the team's
4 recommendations under subsection (h).

5 (h) Failure to improve.--At the conclusion of three years of
6 regional assistance, if a school has not improved achievement
7 sufficiently to remove the reason for having been declared an
8 underperforming school, the board of school directors shall
9 establish it as a charter school under section 1708-B, designate
10 it as an independent school as provided in section 1704-B(a)(2),
11 enter into a contract with an individual or a for-profit or
12 nonprofit organization to operate the school as provided in
13 section 1704-B(a)(4), reconstitute the school as provided in
14 section 1704-B(a)(5), reassign, suspend or dismiss professional
15 employees as provided in section 1704-B(a)(6), or close the
16 school and reassign students to attend other district schools.
17 If the board of school directors does not close the school, it
18 shall also permit any student attending such school to transfer
19 to any other district school and shall provide transportation
20 for the student upon the written request of the student's parent
21 or guardian.

22 Section 1703-C. Holding districts accountable.

23 (a) District evaluations.--Every school district shall be
24 evaluated annually using the following criteria:

25 (1) Value-added test scores under section 1550
26 aggregated to the district level.

27 (2) Adequate yearly progress in meeting student
28 proficiency goals with respect to absolute levels of
29 proficiency, increases in levels of proficiency, and closing
30 achievement gaps among subgroups of students within the

1 school, under the requirements of 20 U.S.C. § 6311(b)
2 aggregated to the district level.

3 (3) Student attendance rates and changes in rates over a
4 three-year period aggregated to the district level.

5 (4) Graduation rates and changes in rates over a three-
6 year period aggregated to the district level.

7 (5) Dropout rates and changes in rates over a three-year
8 period aggregated to the district level.

9 (b) School district profiles.--The department shall include
10 this evaluation in the annual school district profiles developed
11 by the department pursuant to 22 Pa. Code § 4.61 (relating to
12 school profiles).

13 (c) Underperforming school districts.--The Secretary of
14 Education shall declare any school district to be an
15 underperforming district and shall notify the superintendent and
16 the board of school directors if such district meets one or more
17 of the following criteria:

18 (1) Value-added student test scores under section
19 1550(d) that are significantly below one year's worth of
20 academic growth for two consecutive years.

21 (2) At least 33% of all students taking State tests
22 under section 1550 have proficiency levels of "below basic"
23 on both reading and mathematics exams for two consecutive
24 years.

25 (3) The district fails to make adequate yearly progress
26 in meeting student proficiency goals with respect to absolute
27 levels of proficiency, increases in levels of proficiency,
28 and closing achievement gaps among subgroups of students
29 within the school, under the requirements of 20 U.S.C. §
30 6311(b) for two consecutive years.

1 (4) At least 25% of the schools in the district are
2 declared to be underperforming or, in districts with ten or
3 fewer schools, two or more schools are declared to be
4 underperforming under subsections (c) and (d) of section
5 1702-C.

6 (d) Regional assistance teams.--Within 30 days of the
7 Secretary of Education's declaration that a school district is
8 an underperforming district, a regional assistance team of
9 nonschool district personnel shall be designated by the
10 intermediate unit, in consultation with the secretary, under
11 section 923.3-A. In the event the district comprising
12 Intermediate Unit Number 2 is declared an underperforming
13 district, the regional assistance team shall be designated by
14 Intermediate Unit Number 3. In the event the district comprising
15 Intermediate Unit Number 26 is declared an underperforming
16 district, the regional assistance team shall be designated by
17 Intermediate Unit Number 22, 23, 24, or 25 at the discretion of
18 the Secretary. The regional assistance team shall consist of at
19 least four advanced or distinguished teachers and at least four
20 distinguished principals and supervisors working in other school
21 districts within the intermediate unit. The team may also
22 include local business and community leaders, approved providers
23 of professional development as that term is defined in section
24 1205.2(o), and representatives of higher education. Composition
25 of the team shall be designed to include members with a high
26 degree of knowledge and skills in the areas of school
27 leadership, curriculum and instruction, classroom management and
28 discipline, academic assessment, home-school relations, and
29 evaluation and research.

30 (e) Academic recovery plan.--Team members shall observe

instruction in the schools of the district and provide mentoring and assistance to the professional employees. In consultation with school directors, administrators, principals, teachers and parents of students attending the district's schools, the regional assistance team shall, within 150 days of its appointment, present to the district an academic recovery plan that may include any of the following actions to improve student achievement in the district:

(1) Changes in curriculum, instruction, assessment and instructional materials.

(2) Changes in professional development activities for professional employees in the district.

(3) Changes in methods of school leadership.

(4) Changes in the scheduling of instruction, including making additional time available for some or all students in the school.

(5) Changes in school practice with regard to classroom management and discipline.

(6) Changes in methods of informing parents and involving them in the education of their children.

(7) Reassignment of school personnel.

(f) Adoption and implementation of the plan.--The regional assistance team shall hold at least one public hearing within the underperforming district and make the draft academic recovery plan available for public inspection for at least ten days prior to its submission to the board of school directors of the underperforming district. The board of school directors shall transmit the academic recovery plan to the department with its recommendations within six months of the appointment of the team under subsection (d). The department shall return the plan

to the board of school directors and the regional assistance team with its approval or request for modifications within 30 days following the plan's submission, and such modifications made by the regional assistance team shall be transmitted to the department by the board of school directors within 30 days of receipt of the department's request for such modifications.

(g) Regional assistance.--The regional assistance team shall provide continuing assistance to the underperforming district in overseeing implementation of the academic recovery plan, in reporting on progress, and, to the degree designated in the plan, in providing observation, mentoring, professional development or other assistance directly to district personnel.

(h) Academic recovery.--An underperforming district shall have three years from the time its academic recovery plan is accepted by the department to improve achievement sufficiently to remove the reason for having been declared an underperforming district.

(i) State grant.--During the three years that the underperforming district implements its academic recovery plan, the district shall receive an annual grant from the Commonwealth equal to \$450,000 plus \$75 per pupil in average daily membership. This grant shall be used to support implementation of the academic recovery plan under subsection (e), at the discretion of the assistance team.

(j) Education empowerment districts.--At the conclusion of three years of implementing its academic recovery plan under subsections (e), any district that fails to improve achievement sufficient to remove the reason for having been declared an underperforming district shall be declared an education empowerment district by the Secretary under section 1705-B.

Section 1704-C. Definitions.--The definitions in section 1550 apply to this article.

Section 10. Section 2517(d) of the act is amended by adding a paragraph to read:

Section 2517. Payments.--* * *

(d) Subsection (c) of this section shall apply to:

* * *

(5) Payments to which a school district is entitled under section 2506-A for the school year 2003-2004 and each school year thereafter.

Section 11. The act is amended by adding a section to read:

Section 2599.2. Innovation Grants.--(a) There is hereby established within the Department of Education an innovation grant program beginning in the 2003-2004 school year. The purpose of this program is to improve student achievement through cooperative program development by school districts and their educators.

(b) Grant proposals under this section shall be developed jointly by school administrators and the employe organization representing the district's teachers, as that term is defined in section 1101-A. Proposals shall be submitted to the board of school directors for approval prior to submission to the department. Proposals shall be submitted at such time and in such form as the department shall determine.

(c) There shall be three categories of innovation grants:

(1) Partnerships of employers and employe organizations as those terms are defined in section 1101-A to jointly create and execute action plans to improve student achievement.

(2) Establishment of teaching-learning centers within a school district for professional development of professional

1 employees working in the schools.

2 (3) Development of school redesign projects that utilize
3 research-based effective instructional practices.

4 (d) The maximum initial grant amount shall be one hundred
5 thousand dollars (\$100,000) for grants under paragraphs (1) and
6 (3) and three hundred thousand dollars (\$300,000) for grants
7 under paragraph (2). Grants may be made for a period of up to
8 three (3) years. In year two, the first-year grant amount shall
9 be reduced by twenty-five percent (25%). In year three, the
10 second year grant amount shall be reduced by twenty-five percent
11 (25%).

12 (e) A school district may receive multiple innovation
13 grants, provided, however, that no district may receive more
14 than ten percent (10%) of the funds appropriated for this
15 program in any year.

16 (f) During the 2003-2004 school year, the Department of
17 Education shall make up to fifty (50) grants in each category
18 under subsection (c). In subsequent years, the number of grants
19 shall be determined by the department based upon the quality of
20 grant applications and the availability of funds appropriated by
21 the General Assembly.

22 Section 12. The act is amended by adding an article to read:

23 ARTICLE XXV-A

24 SUCCESSFUL SCHOOL SUBSIDY SYSTEM

25 Section 2501-A. Legislative findings and declarations.

26 The General Assembly finds and declares as follows:

27 (1) Section 14 of Article III of the Constitution of
28 Pennsylvania states: "The General Assembly shall provide for
29 the maintenance and support of a thorough and efficient
30 system of public education to serve the needs of the

1 Commonwealth."

2 (2) The current system of financing public education
3 provides inequitable learning opportunities for pupils, based
4 largely upon the wealth of the communities in which they live
5 and results in an education system that is neither thorough
6 nor efficient.

7 (3) The current system of financing public education
8 places an onerous local tax burden on property owners but
9 does not guarantee every pupil an adequate education and
10 results in an education system that is neither thorough nor
11 efficient.

12 (4) Some school districts are doing an exemplary job of
13 helping their pupils succeed and achieve the State's academic
14 standards, but many other school districts are unable to do
15 so; the result is an education system that is not thorough
16 and efficient.

17 (5) Funding levels for all pupils in this Commonwealth
18 should reflect the funding levels in the most successful
19 school districts.

20 (6) In order to provide for the maintenance and support
21 of a thorough and efficient system of public education to
22 serve the needs of the Commonwealth and to reduce inequities
23 among school districts, the Commonwealth should pay the
24 substantial majority of the total costs of public education.

25 (7) In order to ensure local control of and support for
26 public schools, every local school district should provide
27 some of the funds to support its schools from local tax
28 sources, but reliance upon these sources should be greatly
29 reduced.

30 (8) The Commonwealth should provide relatively greater

support to those school districts with the greatest needs and the least ability to raise revenues locally.

(9) In no case should any school district receive from the Commonwealth less financial support than the school district receives under the Article XXV funding system.

Section 2502-A. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Aid ratio." The market value/income aid ratio of a school district as defined in section 2501 (14.1).

"Average daily membership" or "ADM." The average daily membership of a school district as defined in section 2501(3) including pupils enrolled in preschool programs administered by the school district. Each pupil enrolled for less than a full school day shall be counted as one-half of one (0.5) ADM.

"Department." The Department of Education of the Commonwealth.

"District performance cost factor." The amount of spending per pupil required by a school district in order to achieve levels of performance equivalent to the levels of performance attained in high performing districts, as calculated under section 2505-A (b).

"Economically disadvantaged pupils." Any pupil who applies and qualifies for free or reduced-price lunches under the Federal school lunch program.

"Educational difficulty factor." The amount calculated under section 2506-A(a) to account for additional costs associated with educating higher concentrations of pupils who are economically disadvantaged, pupils who are receiving special

education programs or services, and pupils who have limited English proficiency.

"Equalized mills." A measure of a school district's local tax effort and shall be equal to the amount of school taxes collected divided by the real property valuation for the school district.

"High performing districts." Those school districts with average scaled scores of at least 1,350 on the PSSA tests of reading and mathematics at grades 5, 8 and 11 for the 1998-1999 and the 1999-2000 school years, or the 1999-2000 and the 2000-2001 school years, or subsequent to the effective date of this article, for the two most recent years and with no more than 15% of pupils in the lowest performing group on any of those tests in either school year. Once a school district has been determined to be a high performing district, it shall retain that designation for a period of five years.

"Local taxes." Taxes levied by boards of school directors or by city councils on behalf of school districts of the first class with which they are coterminous that support spending of the successful school budget as defined in this section. For school years prior to the effective date of this amendatory act, this shall be calculated by subtracting from total expenditures spending for capital outlay, debt service, pupil transportation and prior State subsidies as defined in this section. For the 2003-2004 school year, this shall be calculated by subtracting the successful school budget subsidy under sections 2506-A and 2507-A from the lesser of a school district's successful school budget or its total expenditures less spending for capital outlay, debt service and pupil transportation. For the 2004-2005 school year and each school year thereafter, this shall be

1 calculated by subtracting the successful school budget subsidy
2 under section 2506-A from the lesser of a school district's
3 successful school budget or its total expenditures less spending
4 for capital outlay, debt service and pupil transportation.

5 "Pennsylvania System of School Assessment" or "PSSA." The
6 Pennsylvania System of School Assessment established by the
7 State Board of Education under 22 Pa. Code § 4.51 (relating to
8 State assessment system).

9 "Prior State subsidies." The sum of all payments received by
10 a school district from the Commonwealth except for payments made
11 from State appropriations for rentals and sinking funds and for
12 pupil transportation.

13 "Pupils with disabilities." Pupils who are defined in State
14 Board of Education regulations at 22 Pa. Code § 14.101 (relating
15 to definitions) as students with disabilities.

16 "Pupils with limited English proficiency." Pupils reported
17 annually to the Department of Education by school districts as
18 having limited English proficiency.

19 "Real property valuation." The real property valuation of a
20 school district as defined in section 2501(9).

21 "Spending per pupil." The amount calculated by subtracting
22 from a school district's total expenditures the amount spent on
23 account of capital outlay, debt service, and pupil
24 transportation and dividing the result by the number of pupils
25 in ADM.

26 "Statewide performance cost factor." The spending per pupil
27 of the median district among the high performing districts.

28 "Successful school budget." The total spending required by a
29 school district in order to achieve the levels of performance
30 equivalent to the levels of performance attained in high

performing districts as calculated by multiplying the performance cost factor of the district by the average daily membership of the district.

Section 2503-A. Data.

(a) Time periods for data.--To ensure the ability of the Commonwealth and its school districts to budget accurately, the successful school subsidy shall be calculated using actual pupil and fiscal accounting data from three years prior to the payment year.

(b) Time periods for test data.--In determining high performing districts, PSSA test data from one and two years prior to the payment year shall be used, except that for subsidies paid in 2003-2004, data from 1998-1999, 1999-2000 and 2000-2001 testing shall be used.

(c) Application of section to definitions.--When the terms defined in section 2502-A are used in this article, the provisions of this section shall be applied to such terms, unless clearly provided otherwise in this article.

Section 2504-A. Successful school budget subsidy established.

In order to provide for a thorough and efficient system of public education to serve the needs of the Commonwealth and its students, the General Assembly hereby establishes the successful school budget subsidy system. The State subsidy shall be calculated under section 2506-A for the school year beginning in 2003-2004 and each school year thereafter and shall be phased in under section 2507-A.

Section 2505-A. High performing districts.

(a) Determination of districts.--Annually by September 1, the department shall determine those school districts that are high performing districts for the purpose of determining the

1 successful school budget subsidy for subsequent school years.

2 (b) Determination of Statewide performance cost factor.--

3 Annually by September 1, the department shall determine the

4 Statewide performance cost factor for purposes of determining

5 the successful school budget subsidy for subsequent school years

6 by calculating the spending per pupil of all the high performing

7 school districts and then determining the high performing

8 district with the median spending per pupil.

9 (c) Notification by department.--Annually by October 1, the

10 department shall notify the Secretary of the Budget and the

11 chairman and minority chairman of the Appropriations Committee

12 of the Senate, the chairman and minority chairman of the

13 Appropriations Committee of the House of Representatives, the

14 chairman and minority chairman of the Education Committee of the

15 Senate and the chairman and minority chairman of the Education

16 Committee of the House of Representatives of the names of the

17 high performing school districts, the amount of the Statewide

18 performance cost factor, and the data used to calculate the

19 Statewide performance cost factor.

20 (d) Publication of report information.--Annually, when the

21 department transmits the information required in subsection (c),

22 it shall cause the same information to be published in the

23 Pennsylvania Bulletin.

24 Section 2506-A. Calculation of successful school budget

25 subsidy.

26 (a) Educational difficulty factor.--The educational

27 difficulty factor of each school district shall be calculated as

28 follows:

29 (1) Divide the number of pupils eligible for free and

30 reduced-price lunches by the ADM of the district and multiply

1 the resulting percentage by 0.2. This result shall be the
2 low-income weight.

3 (2) Divide the number of pupils with disabilities by the
4 ADM of the district and multiply the resulting percentage by
5 1.0. This result shall be the disability weight.

6 (3) Divide the number of pupils with limited English
7 proficiency by the ADM of the district and multiply the
8 resulting percentage by 0.1. This result shall be the LEP
9 weight.

10 (4) Add the weights from paragraphs (1), (2) and (3).

11 (5) Average the summed weights from paragraph (4) of the
12 high performing districts and subtract the result from the
13 summed weights from paragraph (4) for each school district.

14 (6) Add one to the weight determined in paragraph (5),
15 calculated to the nearest 0.00001. This result shall be the
16 educational difficulty factor for each school district.

17 (b) District performance cost factor.--The performance cost
18 factor of each school district shall be calculated by
19 multiplying that district's educational difficulty factor under
20 subsection (a) by the Statewide performance cost factor under
21 section 2505-A (b).

22 (c) Successful school budget calculation.--The successful
23 school budget of each school district shall be calculated by
24 multiplying the district performance cost factor under
25 subsection (b) by the ADM of the district.

26 (d) Payment in tiers.--Annually, the Commonwealth shall pay
27 to each school district a subsidy in two tiers, based upon each
28 district's successful school budget, as follows:

29 (1) Tier 1 of the successful school budget subsidy shall
30 be calculated by multiplying the school district's successful

1 school budget by 25%.

2 (2) Tier 2 of the successful school budget subsidy shall
3 be calculated by subtracting the tier 1 subsidy amount from
4 the successful school budget and multiplying the result by
5 the school district's aid ratio.

6 (e) Local requirements.--

7 (1) The remainder of the successful school budget amount
8 that exceeds the sum of the tier 1 subsidy and tier 2 subsidy
9 under subsection (d) shall be paid from local taxes. Boards
10 of school directors may use whatever mix of taxes they are
11 authorized by this or any other act to levy. In school
12 districts of the first class, the city councils of the
13 coterminous cities of the first class may use whatever mix of
14 taxes they are authorized by this or any other act to levy.
15 In no event shall any school district be required to levy
16 local taxes at a rate that exceeds 20 equalized mills in
17 order to achieve the successful school budget of that
18 district.

19 (2) Except as provided in paragraph (3), the
20 Commonwealth shall pay a tax effort subsidy equal to the
21 difference between the successful school budget and tax
22 revenues derived from a levy equal to 20 equalized mills.

23 (3) No school district that has a rate of spending per
24 pupil that exceeds its successful school budget on the
25 effective date of this amendatory act shall be required to
26 levy taxes at a rate that exceeds 20 equalized mills in order
27 to achieve its current rate of spending per pupil. The
28 Commonwealth shall pay such districts a tax effort subsidy
29 equal to the difference between the current rate of spending
30 per pupil and tax revenues derived from a levy equal to 20

1 equalized mills.

2 (f) Minimum increase subsidy.--The Commonwealth minimum
3 increase subsidy shall be determined as follows: Add the tier 1
4 subsidy under subsection (d), the tier 2 subsidy under
5 subsection (d), and the tax effort subsidy under subsection (e).
6 Subtract from the total so derived the prior State subsidies of
7 the school district. Divide that result by the prior State
8 subsidies received by the school district. In making the initial
9 calculation under this article, if the result is an increase of
10 less than 5%, the Commonwealth shall pay a minimum increase
11 equal to the difference between a 5% increase and the increase
12 that otherwise would be derived from adding the tier 1 subsidy
13 under subsection (d), the tier 2 subsidy under subsection (d),
14 and the tax effort subsidy under subsection (e).

15 (g) Actual subsidy.--The successful school budget subsidy of
16 each school district shall be the sum of the tier 1 subsidy
17 under subsection (d), the tier 2 subsidy under subsection (d),
18 the tax effort subsidy under subsection (e), and the minimum
19 increase under subsection (f).

20 Section 2507-A. Phase-in of successful school budget subsidy.

21 (a) General rule.--To provide for orderly, planned, and
22 effective use of additional spending capacity for many school
23 districts, the payment of the successful school budget subsidy
24 shall be phased in over a period of two years.

25 (b) Initial payment.--During the 2003-2004 school year only,
26 the subsidy increase of each school district shall be limited to
27 50% of the difference between the successful school budget
28 subsidy under section 2506-A (g) and the prior State subsidies
29 of the school district.

30 (c) Reduction of local taxes.--During the 2003-2004 school

1 year only, each school district shall reduce local taxes by an
2 amount that is equal to 96% of the first year subsidy increase
3 under subsection (b), with first priority given to the reduction
4 of real property taxes, provided, however, that the reduction
5 under this subsection shall not exceed the total local tax
6 reduction if the successful school budget were fully implemented
7 in the 2003-2004 school year under section 2506-A.

8 Section 2508-A. Reconciliation for insufficient local effort.

9 (a) General rule.--The successful school budget subsidy is
10 designed to enable every school district to achieve spending per
11 pupil equal to the State's most successful districts, with those
12 costs divided between State and local revenue sources based upon
13 each district's educational difficulty and its student and
14 fiscal circumstances.

15 (b) Reconciliation.--If in any school year a school district
16 levies taxes under section 2506-A(e) at a rate insufficient to
17 achieve its successful school budget when such local tax
18 revenues are added to the successful school budget subsidy
19 amount calculated under section 2506-A(g), the department shall
20 reduce the district's subsidy payment under subsection (c).

21 (c) Reductions.--During the payment year, the amount of the
22 reduction required under subsection (b) shall be determined by
23 recalculating the tier 1 subsidy and the tier 2 subsidy under
24 section 2506-A(d) based upon that school district's budgeted
25 spending per ADM rather than the school district's performance
26 cost factor under subsection 2506-A(b). During a subsequent
27 year, the department shall make a final reconciliation based
28 upon audited financial and pupil membership data.

29 Section 2509-A. Tax reductions.

30 (a) General rule.--Implementation of the successful school

budget subsidy shall require all school districts to reduce local taxes with first priority to be given to the reduction of real property taxes.

(b) Local tax reduction.--During the 2003-2004 school year, every school district shall reduce the rate of local school taxes with first priority to be given to the reduction of real property taxes on a dollar-for-dollar basis such that the sum of the revenues from such taxes and the successful school budget subsidy under section 2506-A(g) shall not exceed the lesser of the district's successful school budget or its budgeted expenditures for 2003-2004. During the 2003-2004 school year, school districts that were spending in excess of their successful school budget on the effective date of this amendatory act shall reduce the rate of local school taxes on a dollar-for-dollar basis such that the sum of the revenues from such taxes and the successful school budget subsidy under section 2506-A(g) shall not exceed the district's budgeted expenditures for 2003-2004.

(c) Spending increases.--During the 2004-2005 school year and each school year thereafter, any school district that was spending in excess of its successful school budget on the effective date of this amendatory act and any school district that subsequently reaches its successful school budget shall limit annual spending increases to no more than 4%, except that a larger increase may be adopted upon approval of the electorate of the school district in a public referendum at the primary election preceding the fiscal year for which such increased spending is proposed. The election officials shall cause a question to be placed on the ballot at the primary election provided that the request for such referendum in the form of a

1 resolution by the board of school directors is received at least
2 90 days prior to such primary election. The referendum question
3 shall state the estimated amount of spending in excess of the 4%
4 increase and shall state the proposed uses of such budget
5 increase. The question shall be in clear language that is
6 readily understandable by a layperson. If a majority of the
7 electors voting on the question vote yes, then the board of
8 school directors shall be authorized to adopt a budget and tax
9 levy that includes spending in excess of a 4% increase. If a
10 majority of the electors voting on the question vote no, the
11 board of school directors shall adopt a budget and tax levy that
12 ensures spending that does not exceed a 4% increase. Proceedings
13 under this subsection shall be in accordance with the provisions
14 of the act of June 3, 1937 (P.L.1333, No.320), known as the
15 Pennsylvania Election Code.

16 (d) Exceptions.--The provisions of this section shall not
17 apply to taxes levied on account of expenditures for pupil
18 transportation, school construction, or debt service payments.

19 Section 13. Section 2601-B of the act is amended by adding a
20 definition to read:

21 Section 2601-B. Definitions.--When used in this article, the
22 following words and phrases shall have the following meanings:

23 * * *

24 (3) "Commission" shall mean the Academic Achievement and
25 Accountability Commission established pursuant to section 2608-
26 B.

27 Section 14. The act is amended by adding sections to read:

28 Section 2607-B. Study of School Staffing.--The board shall
29 conduct a study of teaching positions within this Commonwealth
30 that are difficult to staff and shall present its findings in

terms of grades, subjects, geographic regions, and types of districts and the difficulties being experienced. Such findings shall be accompanied by recommendations for changes in section 1142.2 or any other statutory or regulatory changes the board deems warranted and shall be presented to the secretary and to the chairman and minority chairman of the Education Committee of the Senate and the chairman and minority chairman of the Education Committee of the House of Representatives within one year of the effective date of this act.

Section 2608-B. Academic Achievement and Accountability Commission.--(a) There is hereby established within the board an Academic Achievement and Accountability Commission.

(b) The commission shall be responsible for reviewing the Commonwealth's implementation of new forms of student and educator assessments, educator career ladders, compensation, and professional development, and school and district accountability. Primary responsibility for implementing these provisions lies with the department, and the commission shall oversee that implementation. The commission shall issue such reports and recommendations as it deems appropriate to promote the improvement of student achievement that these reforms are designed to bring about. The commission shall not have any administrative authority or staff, other than the staff of the board.

(c) The commission shall:

(1) Review the department's development of value-added student assessments under section 1550.

(2) Review the professional employe evaluation models developed by the department and by various school entities under section 1123. If such review warrants, the commission shall

develop a policy for teacher appeals to the State of the value-added assessment portion of their ratings under section 1123(a)(1). Such policy shall require that appeals to the State not be governed by collective bargaining agreements.

(3) Review the career ladders and professional employee compensation models developed by various school entities under section 1142.2.

(4) Review the programs for induction/mentoring of new teachers, professional development of educators, and peer assistance and review developed by various school entities under sections 1205.1, 1205.1-A and 1205.2-A.

(5) Review collaborative professional development and innovation grant programs under sections 1205.3-A and 2599.2.

(6) Review the implementation of school and school district accountability, including the Education Empowerment Act, under Articles XVII-B and XVII-C.

(7) Review the effectiveness of the inter-related implementation of the reforms identified in paragraphs (1) through (6) by engaging regular and timely independent empirical evaluations that include but are not limited to, the effects of these reforms on student achievement.

(8) Receive from the Secretary of Education within ninety (90) days of the commission's appointment a report detailing the resources the department requires to carry out the provisions of sections 1123, 1142.2, 1205.1-A, 1205.2-A, 1205.3-A, 1550 and 2599.2, and Article XVII-C. Such report shall include financial, personnel, and contractual resource needs. Within sixty (60) days of the receipt of such report, the commission shall recommend to the Governor, the President pro tempore of the Senate, the Speaker of the House of Representatives and the

1 chairman and minority chairman of the Education Committee of the
2 Senate and the chairman and minority chairman of the Education
3 Committee of the House of Representatives methods of providing
4 such resources as the commission deems essential for the
5 department to carry out its responsibilities under the
6 provisions of sections 1123, 1142.2, 1205.1-A, 1205.2-A, 1205.3-
7 A, 1550, 2599.2 and Article XVII-C. Within ten (10) days of
8 making such recommendations to the Governor and the General
9 Assembly, the commission shall transmit its report as a notice
10 to be published in the Pennsylvania Bulletin.

11 (9) Prepare a report of findings under paragraphs (1)
12 through (7) along with recommendations for changes in statutes,
13 regulations, and methods of implementation of sections 1123,
14 1142.2, 1205.1-A, 1205.2-A, 1205.3-A, 1550, 2599.2 and Article
15 XVII-C. Such reports shall be issued every two (2) years and
16 shall be delivered to the Secretary of Education, the board, and
17 the chairman and minority chairman of the Education Committee of
18 the Senate and the chairman and minority chairman of the
19 Education Committee of the House of Representatives and shall be
20 published in the Pennsylvania Bulletin.

21 (10) At its discretion, make such reports and
22 recommendations as it deems advisable to promote student
23 achievement in this Commonwealth to the Governor, the Secretary
24 of Education, the board, and the chairman and minority chairman
25 of the Education Committee of the Senate and the chairman and
26 the minority chairman of the Education Committee of the House of
27 Representatives and cause such reports to be published in the
28 Pennsylvania Bulletin.

29 (d) The commission shall be chaired by the chairman of the
30 Council of Basic Education under section 2602-B(e). In addition,

1 the commission shall consist of twenty-two (22) members, as
2 follows:

3 (1) Three (3) public school teachers appointed by the
4 Governor in consultation with the Pennsylvania State Education
5 Association and the Pennsylvania Federation of Teachers.

6 (2) Three (3) public school principals appointed by the
7 Governor in consultation with the Pennsylvania Association of
8 Elementary School Principals and the Pennsylvania Association of
9 Secondary School Principals.

10 (3) Three (3) public school superintendents appointed by the
11 Governor in consultation with the Pennsylvania Association of
12 School Administrators.

13 (4) Three (3) parents of children in public schools
14 appointed by the Governor in consultation with the Pennsylvania
15 Parent-Teacher Association.

16 (5) Two (2) members of boards of school directors appointed
17 by the Governor in consultation with the Pennsylvania School
18 Boards Association.

19 (6) Four (4) business or community leaders, one each
20 appointed by the majority leader and the minority leader of the
21 Senate and the majority leader and the minority leader of the
22 House of Representatives.

23 (7) The chairman and minority chairman of the Education
24 Committee of the Senate and the chairman and minority chairman
25 of the Education Committee of the House of Representatives.

26 (e) The members appointed under subsection (d)(1) through
27 (6) shall serve for terms of four (4) years except for the
28 initial term, which shall be for staggered terms. Upon the
29 expirations of their terms, members may be reappointed by the
30 appointing authority, or the appointing authority may appoint

new members to fill their positions. Initial terms of membership shall be as follows:

(1) One (1) appointee under subsection (d)(1) through (4) shall serve an initial term of three (3) years, one (1) shall serve an initial term of four (4) years, and one (1) shall serve an initial term of five (5) years. The length of the initial appointment shall be determined by the Governor.

(2) One (1) appointee under subsection (d)(5) shall serve an initial term of three (3) years, and one (1) shall serve an initial term of four (4) years. The length of the initial appointment shall be determined by the Governor.

(3) The appointee of the Majority Leader of the Senate shall serve an initial term of five (5) years. The appointee of the Minority Leader of the Senate shall serve an initial term of four (4) years. The appointees of the Majority Leader and Minority Leader of the House of Representatives shall serve initial terms of three (3) years.

(f) The commission shall meet at least three (3) times per year at such times and places as the commission determines. One more than a majority of the membership shall constitute a quorum for the conduct of any official commission business. The commission shall make any appropriate rules for the conduct of its own business.

(g) Members shall receive no salary but shall be entitled to travel expenses and other necessary expenses incurred in the performance of their duties.

(h) As an instrumentality of the board, the provisions of section 2606-B apply to relations between the commission and the Department of Education.

Section 15. There is hereby established within the

1 Department of Education an Office of Accountability. The purpose
2 of such office shall be to implement the provisions of sections
3 1123, 1142.2, 1205.1-A, 1205.2-A, 1205.3-A, 1550 and 2599.2 and
4 Article XVII-C of the act. In establishing this office, the
5 department may reassign personnel and other resources and may
6 indicate what additional resources are needed under section
7 2608-B(c)(8) of the act.

8 Section 16. (a) There is hereby established a joint Senate-
9 House select committee to study the Commonwealth's pupil
10 transportation funding mechanisms under sections 2509.3, 2541,
11 2542, and 2543 of the act.

12 (b) The select committee shall be comprised of three members
13 appointed by the Majority Leader of the Senate, two members
14 appointed by the Minority Leader of the Senate, three members
15 appointed by the Majority Leader of the House of
16 Representatives, and two members appointed by the Minority
17 Leader of the House of Representatives. The Majority Leader of
18 the Senate shall designate one member to chair the select
19 committee.

20 (c) Within 12 months of its appointment, the select
21 committee shall issue a report of its findings and such
22 recommendations as it deems appropriate and shall submit such
23 report to the Education Committee of the Senate and the
24 Education Committee of the House of Representatives.

25 Section 17. (a) There is hereby established a joint Senate-
26 House select committee to study the Commonwealth's school
27 construction funding mechanisms under sections 2571 through 2580
28 of the act.

29 (b) The select committee shall be comprised of three members
30 appointed by the Majority Leader of the Senate, two members

1 appointed by the Minority Leader of the Senate, three members
2 appointed by the Majority Leader of the House of
3 Representatives, and two members appointed by the Minority
4 Leader of the House of Representatives. The Majority Leader of
5 the House of Representatives shall designate one member to chair
6 the select committee.

7 (c) Within 12 months of its appointment, the select
8 committee shall issue a report of its findings and such
9 recommendations as it deems appropriate and shall submit such
10 report to the Education Committee of the Senate and the
11 Education Committee of the House of Representatives.

12 Section 18. Beginning in the 2002-2003 school year and each
13 school year thereafter, the Department of Education shall pay
14 the application fee for any Pennsylvania teacher seeking
15 certification by the National Board for Professional Teaching
16 Standards. There is hereby appropriated to the Department of
17 Education the sum of \$4,600,000 or as much thereof as may be
18 necessary for the fiscal year July 1, 2002, to June 30, 2003,
19 for the payment of certification application fees.

20 Section 19. (a) State subsidies in effect immediately prior
21 to the effective date of this amendatory act shall be paid as
22 provided by law through the 2003-2004 school year.

23 (b) The statutory provisions for subsidies under subsection
24 (a) shall be retained in Article XXV for purposes of making any
25 necessary adjustments and reconciliations after the effective
26 date of this amendatory act and for the calculation of prior
27 State subsidies under section 2502-A.

28 (c) The statutory provisions in Article XXV pertaining to
29 the payment of State subsidies are hereby repealed insofar as
30 they apply to payments which school districts would previously

1 have been entitled to receive in the 2003-2004 school year or
2 any school year thereafter, except as provided in subsection
3 (d).

4 (d) Nothing in this amendatory act shall affect State
5 subsidies school districts are entitled to receive under
6 sections 2502.16, 2502.30, 2541, 2542, 2543, 2572, 2574, 2574.1,
7 2574.2, 2574.3, 2575, 2575.1, 2575.2, 2576, 2577, 2578, 2578.1,
8 2579, 2580, 2595, 2597.5 and 2599.

9 (e) Nothing in this amendatory act shall affect State
10 subsidies paid to intermediate units or area vocational-
11 technical schools.

12 (f) Nothing in this amendatory act shall be construed to
13 relieve a school district of the responsibility to operate
14 schools, departments and programs provided for in this act,
15 other Federal or State legislation or Federal or State
16 regulations.

17 Section 20. Sections 1142, 1703-B and 1704-B of the act are
18 repealed.

19 Section 21. (a) Except as provided in subsections (b)
20 through (k), this act shall take effect July 1, 2003.

21 (b) The provisions of sections 923.3-A and 1082.1 shall take
22 effect July 1 of the fourth school year following the effective
23 date in subsection (a).

24 (c) Ratings developed under the provision of section 1123
25 shall be applied beginning in the fourth school year following
26 the effective date in subsection (a).

27 (d) The career ladder and salaries under the provision of
28 section 1142.2 shall be developed during the first school year
29 following the effective date in subsection (a), shall apply to
30 novice teachers beginning in the second school year following

1 the effective date in subsection (a), and shall be fully
2 effective beginning in the fourth school year following the
3 effective date in subsection (a).

4 (e) The amendment of section 1144 shall take effect July 1
5 of the fourth school year following the effective date in
6 subsection (a).

7 (f) The provisions of sections 1205.1-A and 1205.2-A shall
8 take effect July 1 of the fourth school year following the
9 effective date in subsection (a), and the provision of section
10 1205.3-A shall take effect July 1 of the second school year
11 following the effective date in subsection (a).

12 (g) The assessments under section 1550 shall be developed
13 during the first school year following the effective date in
14 subsection (a), administered for the first time during the
15 second school year following the effective date in subsection
16 (a), and fully implemented during the fourth school year
17 following the effective date in subsection (a).

18 (h) The provision of section 1551 shall take effect July 1
19 of the fourth school year following the effective date in
20 subsection (a), except that section 1551(b) shall apply to
21 fourth-grade students beginning five years after the effective
22 date in subsection (a) and to eighth-grade students beginning
23 nine years after the effective date in subsection (a), and that
24 section 1551(c) shall apply to twelfth-grade students beginning
25 13 years after the effective date in subsection (a). The
26 provision of section 1552 shall take effect July 1 of the second
27 school year following the effective date in subsection (a).

28 (i) The provisions of section 1705-B and the addition of
29 Article XVII-C shall take effect July 1 of the fourth school
30 year following the effective date in subsection (a).

1 (j) The provision of section 2517(d), section 2599.2, the
2 addition of Article XXV-A and section 19 shall take effect July
3 1, 2003.

4 (k) The remainder of this act shall take effect immediately.